

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **APRIL 5, 2011**

From:  **JAMES DURFEE / JOEL SWIFT** 

Subject: **BUDGET REVISION – TAHOE ADMIN ROOF, PROJECT NO. 4789, TAHOE ADMINISTRATION CENTER**

ACTION REQUESTED / RECOMMENDATION: Approve the attached Budget Revision shifting \$20,000 in appropriations from the Miscellaneous Projects 4907 to the Tahoe Admin Roof, Project No. 4789 in the Capital Projects Fund.

BACKGROUND: Since 1977, the County has leased the 5,500 square foot building at 565 West Lake Boulevard, Tahoe City, CA for general government functions, most recently Community Development Resource Agency and the Environmental Health Division of Health and Human Services. The current Lease Agreement No. 11464 between the County of Placer and William E. Briggs and Joyce S. Briggs, as trustees of the Briggs Family Trust (Landlord), will expire on June 30, 2012. As currently planned, the Lease will not be renewed, and the current occupants will move to the recently purchased Customs House Building.

On November 2, 2010, your Board adopted a Resolution authorizing the Director of Facility Services to complete negotiations to provide for structural design and roof repairs at the facility and further delegating authority to execute a Lease Amendment contingent upon approval by Risk Management and County Counsel. Your Board also approved a Budget Revision shifting \$10,000 to the Tahoe Admin Roof, Project No. 4789 for the purposes of funding an engineering analysis, staff time and legal costs. At that date, the Department committed to return to your Board with further recommendations to address the construction of repairs necessary to resolve this issue should the need arise.

The Landlord and staff have engaged in extended discussions regarding this project and the lease as it relates to maintenance of the building, and specifically the repair of structural roof beams. In 2007, pursuant to obligation of the Lease Agreement, the County replaced the low-slope, tar and gravel building roof. At that time, it was discovered that damage in the form of dry-rot had occurred to the exposed ends of the structural beams over the course of several decades of winter ice-dam conditions. It was also discovered that the roof structure did not include a snowmelt system in the roof.

The Landlord and staff do not agree regarding responsibility for the damage to the roof beams. Staff's firm position is that the Landlord is responsible under the Lease Agreement for the structural aspects of the building, whereas the Landlord contends that damage to the exposed ends of the beams was solely caused by the County due to limited maintenance. An independent structural analysis identified the design of the roof, a low-slope structure in high country conditions and absence of a necessary snowmelt system as contributing factors to the presence of ice dams that are known to cause moisture intrusion.

To resolve this issue and minimize costs, staff worked with the Landlord to implement repairs that do not require the redesign cost and uses a previously designed structural solution.

Instead of proceeding with the structural redesign as proposed to your Board in November 2010, staff and the Landlord have negotiated a resolution of the complete reconstruction of the beam conditions.

Based a report prepared by K.B. Foster Civil Engineering, Inc, and on contractor estimates, the Landlord does not anticipate the costs to exceed \$25,000. To bring this matter to conclusion, staff recommends the County provide compensation to the Landlord in the amount of \$15,000 towards this repair, and has prepared a Lease Amendment to implement this solution. The Lease Amendment includes a provision addressing unforeseen conditions that would only be observable once the repairs commence. In the unlikely event that costs for repairs exceed \$25,000, the Landlord has agreed to share excess costs equally with the County, with a worst case potential additional construction cost to the County of \$20,000.

An Amendment to the Lease Agreement will be prepared in the total amount of \$17,972, comprised of the County's share of the beam repairs (\$15,000) and compensation for completion of the sanding and painting of the remaining beams previously agreed to (\$2,972). Should the cost of repairs exceed \$25,000, staff would return to your Board for further authorization. The Landlord has signed the proposed Lease Amendment and is prepared to complete the repairs.

ENVIRONMENTAL CLEARANCE: The Amendment of the Lease Agreement is Categorically Exempt from environmental review pursuant to Section 15301 of the California Environmental Quality Act. This Section provides for activities, including leasing and repairs of existing facilities, when there is no expansion of use beyond that previously existing.

FISCAL IMPACT: The estimated cost to complete this project is \$20,000, including the Lease Amendment in the amount of \$17,972, and staff and legal costs. The attached Budget Revision appropriating \$20,000 from Miscellaneous Projects 4907 to the Tahoe Admin Roof, Project No. 4789 in the Capital Projects Fund will cover the anticipated costs.

JD:MD:JS:SH

ATTACHMENT: BUDGET REVISION

CC: COUNTY EXECUTIVE OFFICE

TFAC\BSMEMO2011\TAHOE ADMIN AMENDMENT2011.DOCX

PLACER COUNTY

PAS DOCUMENT NO.

Facility Service to do journal to transfer cash

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	80,000.00	4

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

Auditor-Controller

County Executive

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
12										
TOTAL										0.00

APPROPRIATION ADJUSTMENT

[illegible]

REASON FOR REVISION: TO SHIFT APPROPRIATIONS FROM THE MISCELLANEOUS PROJECT 704907 TO THE TAHOE ADMIN ROOF PROJECT 704789.

Prepared by  Valerie Bayne

Ext 6803

Department Head

Board of Supervisors

Date: 4/5/11

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Budget Revision # _____ FOR INDIVIDUAL DEPT USE

